

[REDACTED]
[REDACTED]
[REDACTED]
JUL 20 1982

Dear Applicant:

Your application for exemption from Federal income tax under the provisions of Section 501(c)(8) of the Internal Revenue Code has been considered.

The information submitted with and in support of your application indicates you were organized in [REDACTED].

Your purposes as stated in your by-laws are to unite and to serve the area snowmobile clubs, to promote better and safer snowmobiling for the public, and to attract prestige and respect within the community.

Section 501(c)(8) of the Internal Revenue Code provides for exemption only of organizations operating under the lodge system or for the exclusive benefit of the members of a fraternity itself operating under the lodge system and provide for the payment of life, sick, accident, or other benefits to the members of such society, order, or association or their dependents.

Since your organization is neither operating under the lodge system or providing life, sick, accident or other benefits to your members or dependents you are not entitled to recognition of tax exemption as an organization described in Section 501(c)(8) of the Internal Revenue Code.

Your application was also considered under Section 501(c)(7) of the Internal Revenue Code. Section 501(c)(7) of the code provides for exemption only of clubs organized and operated substantially for pleasure, recreation, and other nonproftable purposes, no part of the net earnings of which inures to the benefit of any private shareholder.

Revenue Ruling 67-428 provides that an exempt social club must be made up of individual members. It cannot be composed of artificial entities in a federated relationship.

Your organization is a club composed of other clubs: It is not a club of individuals divided into local branches. Accordingly, it is held that you are not entitled to exemption as an organization described in Section 501(c)(7) of the code and you are required to file Federal income tax returns on Form 1120.

If you do not agree with these conclusions, you may request Appeals Office consideration. To do this, you must submit to the District Director within

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30 days from the date of this letter, a statement of facts, law, and arguments, in duplicate which will clearly set forth your position. You also must state whether you wish an Appeals Office conference. Any submission must be signed by one of your principal officers. If the matter is to be handled by a representative, the Conference and Practice Requirements regarding the filing of a power of attorney and evidence of enrollment to practice must be met.

If we do not hear from you within the time specified, this communication will become our determination in the matter.

Very truly yours,

[REDACTED]
District Director

Enclosure:
Publication 892